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PREPARED BY: Jeanne Glenn  
DATE PREPARED: February 23, 2011  
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**LB 388**

Revision: 01

Revised to include additional information

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	See below	See below	See below	See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below	See below	See below	See below

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 388 would establish the Site and Building Development Act. The Department of Economic Development (DED) would be authorized to administer the act and to provide loans, grants, subsidies, credit enhancements and other financial assistance for industrial site and building development. The Site and Building Development Fund would be established in DED and would receive revenue from a \$3,000,000 transfer from the Affordable Housing Trust Fund. The transfer would be carried out between October 1 and October 10, 2011. The agency would be authorized to use the fund to carry out the act and to pay for expenses related to administering the act.

LB 388 would also amend the allocation of the documentary stamp tax. Currently, \$1.20 of the documentary stamp tax (\$2.25 per \$1,000 of value) is deposited in the Affordable Housing Trust Fund. LB 388 would reallocate the documentary stamp tax to deposit 90 cents in the Affordable Housing Trust Fund and 30 cents to the Site and Building Development Fund. It is estimated that the Affordable Housing Trust Fund would receive approximately \$5,400,000 annually and the Site and Building Development Fund would receive approximately \$1,800,000 annually.

There would be no net cash fund impact to DED as result of the transfer and the revised cash flow, because the increased expenditures from the Site and Building Development Fund would be offset by decreased expenditures from the Affordable Housing Trust Fund. The agency notes that it would use \$28,000 from the Site and Business Development Fund to pay for operating expenses and to hire a .50 FTE economic development consultant position to administer the program.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	1/27/11	PHONE 471-2526
COMMENTS			
DEPT. OF ECONOMIC DEVELOPMENT – Agency's estimate of impact appears reasonable.			

JAN 27 2011

**FISCAL NOTE** **LEGISLATIVE FISCAL** **LB388**  
**Department of Economic Development**

Prepared By	Young, Joseph
Date Prepared	1/26/2011
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**Estimate Provided By State Agency or Political Subdivision**

	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds	28,000		28,000	
Federal Funds				
Other Funds				
<b>Total Funds</b>	<b>28,000</b>		<b>28,000</b>	

**Explanation of Estimate:**

LB 388 creates a new cash fund and new duties for the Department, although the duties outlined in the bill could be covered by a half-time equivalent employee.

**Major Objects of Expenditure**

Position Title	Number of Positions		FY 2011-2012	FY 2012-2013
	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures
Economic Development Consultant	1/2	1/2	20,000	20,000
		Benefits	8,000	8,000
		Operating		
		Travel		
		Capital outlay		
		Aid		
		Capital improvements		
		<b>Total</b>	<b>28,000</b>	<b>28,000</b>